

**EPA COMMENTS ON:  
Notice of Proposed Rulemaking, 31 Code of Federal Regulations (CFR)  
Part 210 "Federal Government Participation in the Automated Clearing House"**

**Rights and Liabilities of Federal Agencies (page 5427, part III. A)**

It appears that Treasury is either sharing or transferring certain rights and liabilities it currently has to Federal agencies. If such rights and liabilities are derived from statute, it is unclear from the proposed Rule whether or not Treasury has pursued Legislative change along with its regulatory change.

Also, we question if Treasury fully examined circumstances where they should remain liable for erroneous or delayed ACH transactions. A good example where Treasury may potentially be liable is if erroneous or delayed ACH transactions are due to Treasury systems failures.

**Vendor Payments, Enrollment, and Relationship to Other Regulations (page 5429, part III. B)**

Regarding concerns vendors experience in electronic funds transfer (EFT) through ACH, we concur that the primary reason our vendors have been reluctant to participate in EFT has been difficulties in either obtaining the remittance information from their financial institutions or obtaining the information at a price vendors consider too high. Vendors are seeking the government to reimburse them for this cost which they consider a cost of meeting the government's requirement to participate in EFT. We recommend that the issue of responsibility for the cost of issuing the remittance information to vendors be considered in this proposed Rule.

It is possible that emerging technology may help resolve the cost of issuing the remittance information. For example, it is our understanding that GSA and Treasury have secure web sites over which remittance information is available for their vendors. We recommend that such potential methods for handling remittance information be explored.

**Reclamations (page 5429, part III. C)**

Acquisition handles issues of "overpayments" primarily through its equitable adjustment process. In the administration of a contract, goods and services are inspected and accepted throughout the life of the contract. Where an imbalance occurs between the contracted requirements of the goods and services received and payments made, we will seek an equitable adjustment and usually offset future payments. Final adjustments occur at contract closeout. We envision the flow of payments from or to the government vis-à-vis automated processes and look forward to working with finance in developing any requirements for our contractors regarding automated payments.

OPTIONAL FORM 98 (7-90)

<b>FAX TRANSMITTAL</b>		# of pages <b>2</b>
To <b>Donna Wilson</b>	From <b>Pamela Doucette</b>	
Dept. <b>FMS</b>	Phone <b>(202) 564-4939</b>	
Fax <b>874-6965</b>	Fax <b>(202) 565-2584</b>	
NSN 7540-01 317-7308	5099 101	GENERAL SERVICES ADMINISTRATION

ACH #003

Liability to Recipients Agencies (page 5443, Subpart A, paragraph 210.6 (c))

This paragraph states that an agency will be liable to ACH credit recipients for only the amount of the credit if any loss is sustained. If an erroneous ACH credit is to pay a Federal vendor, the agency may also be liable for prompt payment interest penalties.